



**Reasonable Charges for Outpatient Medical Care or Services; v4.225,
Calendar Year (CY) 2022 Update and National Average Administrative
Prescription Drug Charge Update**

AGENCY: Department of Veterans Affairs (VA).

ACTION: Notice.

SUMMARY: This VA notice updates the data for calculating what VA refers to as the Reasonable Charges collected or recovered by VA for medical care or services provided or furnished by VA to a veteran. This notice also updates the National Average Administrative Prescription Costs for purposes of calculating VA's charges for prescription drugs that were not administered during treatment but provided or furnished by VA to a veteran.

DATES: This change is effective January 1, 2022.

FOR FURTHER INFORMATION CONTACT: Debra Vathauer, Office of Finance, Revenue Operations, Payer Relations and Services, Rates and Charges, Veterans Health Administration, Department of Veterans Affairs, 128 Bingham Road, Suite 1000, Asheville, NC 28806; email: debra.vathauer@va.gov; telephone: 608-821-7346 (This is not a toll-free number).

SUPPLEMENTARY INFORMATION: 38 C.F.R. § 17.101(a)(1) sets forth VA's collection or recovery regulations, pursuant to 38 U.S.C. § 1729, for medical care or services provided or furnished by VA to a Veteran for: a nonservice-connected disability for which the veteran is entitled to care (or the payment of expenses for care) under a health plan contract; a nonservice-connected disability incurred incident to the veteran's employment and covered under a worker's compensation law or plan that provides reimbursement or indemnification for such care and services; or, for a nonservice-connected disability incurred as a result of a motor vehicle accident in a state that requires automobile accident reparations insurance. VA refers to the charges for services as derived under 38 C.F.R. § 17.101 as "reasonable charges." Section 17.101 provides the methodologies for establishing billed amounts for several types of charges; however, this notice will only address partial hospitalization facility charges; outpatient facility charges; physician and other professional charges, including professional charges for anesthesia services and dental services; pathology and laboratory charges; observation care facility charges; ambulance and other emergency transportation charges; and charges for durable medical equipment, drugs, injectables, and other medical services, items, and supplies identified by Healthcare Common Procedure Coding System (HCPCS) Level II codes.

Section 17.101(a)(2) provides that the actual charge amounts at individual VA medical facilities based on these methodologies and the data sources used for calculating those actual charge amounts will either be published in a notice in the Federal Register (FR) or will be posted on VA's website at:
https://www.va.gov/communitycare/revenue_ops/payer_rates.asp.

Certain charges are updated as stated in this notice and will be effective on January 1, 2022.

In cases where VA has not established charges for medical care or services provided or furnished at VA expense (by either VA or non-VA providers) under other provisions or regulations, the method for determining VA's charges is set forth at section 17.101(a)(8).

Based on the methodologies set forth in section 17.101, this notice provides an update to charges for CY 2022 HCPCS Level II and Current Procedural Terminology codes. Charges are also being updated based on more recent versions of data sources for the following charge types: partial hospitalization facility charges; outpatient facility charges; physician and other professional charges, including professional charges for anesthesia services and dental services; pathology and laboratory charges; observation care facility charges; ambulance and other emergency transportation charges; and charges for durable medical equipment, drugs, injectables and other medical services, items and supplies identified by HCPCS Level II codes. As of the date of this notice, the actual charge amounts at individual VA medical facilities are based on the methodologies and data sources described in section 17.101. The nationwide charges will be posted on VA's website at:

https://www.va.gov/communitycare/revenue_ops/payer_rates.asp under the heading "Reasonable Charges Data Tables" and identified as "v4.225 Data Tables (Outpatient and Professional)."

Acute inpatient facility charges and skilled nursing facility/sub-acute inpatient facility charges remain the same as set forth in the notice published in the Federal Register on September 13, 2021 (86 FR 50953).

We are also updating the list of VA medical facility locations. The list of VA medical facility locations, including the first three digits of their zip codes will be

posted on VA's website under the heading "VA Medical Facility Locations" and identified as "v4.225 (Jan 22)."

Consistent with section 17.101 (a)(2), the updated data and supplementary tables containing the changes described in this notice will be posted on VA's website at https://www.va.gov/communitycare/revenue_ops/payer_rates.asp under the heading "Reasonable Charges Rules, Notices and Federal Register" and identified as "v4.225 Federal Register Notice 01/01/22 (Outpatient and Professional)". The updated data, and supplementary tables containing the changes described will be effective until changed by a subsequent FR notice. Consistent with section 17.101(a)(3), the list of data sources used for calculating the actual charge amounts listed above also will be posted on VA's website under the heading "Reasonable Charges Data Sources" and identified as "Reasonable Charges v4.225 Data Sources (Outpatient and Professional) (PDF)."

Section 17.101(m) establishes the charges for prescription drugs not administered during treatment, as part of medical care or services provided or furnished by VA to a veteran under section 17.101(a)(1) for a nonservice-connected disability for which the veteran is entitled to care (or the payment of expenses for care) under a health plan contract; for a nonservice-connected disability incurred incident to the veteran's employment and covered under a worker's compensation law or plan that provides reimbursement or indemnification for such care and services; or for a nonservice-connected disability incurred as a result of a motor vehicle accident in a state that requires automobile accident reparations insurance.

As indicated in section 17.101(m), when VA provides or furnishes prescription drugs not administered during treatment, within the scope of care described in section 17.101(a)(1), charges billed separately for such prescription drugs will consist of the amount that equals the total of the actual cost to VA for the drugs and the national average of VA administrative costs associated with dispensing the drugs for each prescription. Section 17.101(m) further describes the methodology for calculating the national average administrative cost for prescription drug charges not administered during treatment.

VA determines the amount of the national average administrative cost annually for the prior fiscal year (October through September) and then applies the charge at the start of the next calendar year.

Consistent with section 17.101(a)(2), the national average administrative cost calculated by VA under section 17.101(m) will be posted online on VA's website at: https://www.va.gov/communitycare/revenue_ops/payer_rates.asp under the heading "Reasonable Charges Rules, Notices and Federal Register and identified as CY 22 National Average Administrative Cost (PDF)", to be effective on January 1, 2022. The national average administrative cost posted will be effective until changed by a subsequent FR notice.

Signing Authority:

Denis McDonough, Secretary of Veterans Affairs, approved this document on December 10, 2021, and authorized the undersigned to sign and submit the document to the Office of the Federal Register for publication electronically as an official document of the Department of Veterans Affairs.

Luvenia Potts,

Regulation Development Coordinator

Office of Regulation Policy & Management,

Office of General Counsel,

Department of Veterans Affairs.

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